

Retirement Planning Guide

The Office of Retirement (HR/RET) has prepared this Retirement Planning Guide to assist Department of State Civil Service personnel and Foreign Service personnel of all agencies with the retirement process. Outlined below are five easy steps to guide you in researching and planning a successful retirement.

Step 1: Research the information you need to retire

A. Check on-line resources

Familiarize yourself with the information and forms on HR/RET's website, www.RNet.state.gov, available via the Department's intranet site or through the internet. Both Foreign Service and Civil Service employees will find information on their respective retirement plans on RNet under "My Retirement;" the forms are found under "Forms" on the left side of the web page. You don't need to log into the site to get the information you need. You can research frequently asked questions on AskRNet; if you don't find what you are looking for, you may send your query to RETServices@state.gov.

Civil service employees may also wish to consult the website of the Office of Personnel Management (OPM), www.opm.gov/retire for additional guidance.

B. Confirm your eligibility

To determine if you are eligible to retire, review the age and length of service requirements for your retirement plan on RET's website, www.RNet.state.gov, under "My Retirement."

C. Review your e-OPF and your Retirement File

You should review your official personnel folder (OPF) to ensure it is complete. You may request your OPF through your Bureau Human Resources Officer (HRO), since HROnline files do not go back prior to 1999. Consult AskRNet for questions about crediting prior Peace Corps, military or other government service. If you converted to Civil Service from Foreign Service or vice versa, did you transfer your retirement contributions to your new system? It may take months to process your claim, so start well in advance of your planned retirement date to document all of your service.

D. Estimate your annuity

You can access both the Annuity Benefits Calculator (ABC) and the Personal Benefits Statement (PBS) via e-phone. Although the ABC can provide you with a good approximation of your annuity, please be aware that it is only an estimate. HR/RET will complete the final, official computation for Foreign Service retirees, and OPM will do the

final, official calculation for Civil Service retirees. You should also review your Personal Benefits Statement and ensure you understand all your entitlements. Civil Service employees may also wish to use the OPM annuity calculator, accessible via www.opm.gov/retire.

Note for FSPS/FERS retirees: The annuity estimate from the ABC does not include Social Security benefits or the annuity supplement that you will receive until eligible for Social Security benefits at age 62. You can obtain information on estimating your annuity supplement on AskRNet. For information on estimating your Social Security benefits, check the Social Security Administration's website www.ssa.gov.

E. Take the Retirement Planning Workshop and the Job Search Program (JSP)

We recommend you take the Retirement Planning Workshop (FSI course RV 101) to learn about your annuity, financial and estate planning, tax issues, and possibilities for employment after you retire. Employees may attend the Retirement Planning Workshop within five years of retirement eligibility. You may take the course more than once (not to exceed once every three years) as you approach retirement. Foreign Service employees who are on official travel to Washington may be authorized per diem during the Retirement Planning Workshop by requesting it through their Career Development Officers. No transportation costs will be authorized. Two days of the Retirement Planning Workshop, “*Annuities, Benefits and Social Security*” (RV 104) and “*Financial Management and Estate Planning*” (RV 103) are available as stand-alone courses and can be taken at any time in your career. Information on schedules and enrollment is available at <http://fsi.state.gov/fsi/tc> on State's intranet or via internet at www.state.gov/m/fsi/tc.

Completion of the four-day Retirement Planning Workshop is a prerequisite for the Job Search Program. The Job Search Program helps participants evaluate their post-retirement options and develop the skills needed for a successful job search. The course emphasizes skills assessment, resume preparation, interviewing techniques and networking. Before beginning the Job Search Program, all participants must apply for retirement effective immediately upon completion of the program. If you travel to Washington, D.C. from your last assignment abroad to attend the Retirement Planning Seminar and the Job Search Program, you will not receive per diem. You may also take the course within the first year of retirement, but must apply for the course before you retire.

Step 2: Make well-informed financial decisions

A. Choose your retirement date

If you voluntarily retire on the last day of the month, your annuity will begin to accrue immediately, i.e. the first day of the following month. You will receive your last salary payment in the middle of that month, and your first annuity payment on the first day of the second month after your effective date of retirement. If you are under one of the old

systems (FSRDS, FSRDS Offset, CSRS or CSRS Offset) you may also retire on one of the first three days of the month and your annuity will still accrue immediately. If you are retired involuntarily, you may retire any day of the month under any retirement plan and have your annuity begin the next day.

You should also take into consideration the impact of retirement on other service-related obligations such as unreimbursed travel advances, allowances, R&R or tour of duty requirements. Outstanding financial obligations could delay processing of your retirement. If you are uncertain, contact the HR specialist in your post or bureau.

B. Maximize your contributions to the Thrift Savings Plan (TSP)

Set your TSP contribution rate to reach the IRS annual contribution ceiling. Be sure to include “catch-up” contributions if you have reached age 50. You may adjust your TSP contributions at any time at <http://www.tsp.gov/>.

C. Maximize your lump sum payment for annual leave

If you exceed your annual leave ceiling, you will lose annual leave at the beginning of the first pay period of the year. However, if you retire before the beginning of the first pay period of the year, you will be paid for the entire balance of unused annual leave, even if it exceeds the ceiling. For this reason, many employees do not take annual leave during their last year of duty.

D. Maximize credit for sick leave

FSRDS/CSRS: If you are enrolled in one of the old systems (FSRDS or CSRS), unused sick leave is creditable toward retirement. Creditable sick leave (calendar years, months and days) is added to the total of regular service, then odd days are dropped. Years and months of service count toward length of service for retirement purposes.

Conversion between FS/CS retirement systems: An employee who converted from FSRDS or CSRS to one of the new systems (FSPS or FERS) will receive credit for the unused sick leave balance at the time of conversion, or the unused balance at retirement, whichever is less.

Sick leave does not affect the high three average salary calculation, and is not used in determining when an employee is eligible to retire. However, unused sick leave may be credited without regard to the 35-year limitation on length of service under FSRDS or the 41 years, 11 months limitation under CSRS.

FSPS/FERS: Participants in FSPS or FERS do not receive retirement credit for unused sick leave.

E. Review your life and health insurance coverage

To continue your participation in the Federal Employees Group Life Insurance (FEGLI) program or the Federal Employees Health Benefits (FEHB) program after retirement, you must have been continuously covered for five years immediately prior to retirement. If you were not continuously covered in FEHB for five years before retirement, or if you leave federal employment without qualifying for an immediate annuity, you are eligible for temporary continuation of coverage (TCC) for up to 18 months.

Step 3: Submit your retirement application

A. Civil Service retirements

Civil Service retirement processing begins with your bureau's Executive Office. Submit your retirement application package to your Executive Office, who will forward it through HR/RET and RM/RAD for certification before being submitted to the Office of Personnel Management (OPM). You can find the required forms and instructions in the Civil Service retirement package on RNet under "Forms." If you are covered by CSRS or CSRS Offset, submit SF 2801, Application to Retire, parts A, B, C, and D. If you are covered by FERS, submit SF 3107, Application to Retire, parts A, B, C, and D.

Your annuity will be paid by OPM. OPM has an excellent website, www.OPM.gov/retire, with detailed information on Civil Service retirement issues.

B. Foreign Service retirements.

Foreign Service employees should begin by submitting the Application for Retirement (DS-5004) and Foreign Service Residence and Dependency Report (OF-126) to HR/RET. Both forms are available on RNet under "Forms" in the Foreign Service Retirement Package. Once approved, HR/RET will transmit these documents to HR/CDA, and you will be paneled for retirement. If applicable, HR/CDA will help plan your departure from post, shipment of effects and issue your travel orders. HR/CDA can also register you for the Job Search Program and the Retirement Planning Workshop.

Once you have determined a retirement date, submit your complete retirement package to HR/RET at least 90 days beforehand to ensure that your annuity payments will begin promptly upon retirement. Fill out all the forms appropriate to your individual retirement situation. You will receive an e-mail confirmation and tracking number when your application has been received; at that time you will be assigned a retirement counselor.

Step 4 – Administrative closure

A. Travel and shipment of your effects

For Foreign Service employees, travel and shipment of effects to the separation address must be accomplished within twelve months of the date of separation if traveling from overseas, six months if separated from a domestic assignment. Requests for an extension should be submitted to your HR technician in HR/CDA. For details on travel and shipment of effects, check under “Travel” on the Department’s intranet site, or send individual queries to transportationquery@state.gov.

B. Medical examination

Foreign Service employees should initiate separation physicals by contacting M/MED directly at <http://med.state.gov>, Telephone: 202-663-1779. The separation medical exam may also be taken at post if there are adequate facilities.

C. Diplomatic Passports, Department of State Badges, and Retiree ID Cards

Diplomatic passports for you and your eligible dependents will need to be canceled prior to your effective date of retirement. Please have them canceled at the Passport Office, Room 1252, HST Building.

If you are retiring from the Department, your Department of State badge must be turned in to your Bureau Executive Office on your last day, and you need to complete the form OF-109, Separation Statement. You can obtain this form on RNet under the Foreign Service Retirement Package. If you are retiring from overseas, your Department of State badge and the OF-109, Separation Statement, should be turned in to your Management Officer.

If you wish to receive a Retiree ID Card, please complete and submit the DS-5018 along with your retirement package and HR/RET will issue you a retiree ID card.

D. Leave status

Upon arrival from post for consultations prior to retirement or to attend the Retirement Planning Workshop and/or the Job Search Program, please submit your completed DS-1707, Leave, Travel, and Consultation Status, to your HR/RET Retirement Counselor.

E. Financial disclosure

Senior officers subject to Financial Disclosure requirements must file the Termination Certificate Statement and the SF-278, Executive Branch Personnel Public Financial Disclosure Report, within 60 days from the date of separation. You may access the forms via RNet at <http://www.rnet.state.gov/forms.cfm> in the Executive Branch Personnel Public Financial Disclosure Package. The report should be forwarded directly to L/EMP/FD at the following address: U.S. Department of State, Office of the Legal Advisor, Room 5425, 2201 C Street, NW, Washington, DC 20520-6419.

F. Annuity statements

FS Annuitant: Foreign Service annuitants may access their monthly annuity statements by creating a personal RNet account on www.RNet.state.gov, and logging on to Annuitant Employee Express, under “Financial Services.” You may address any questions about your annuity to RAD2@state.gov.

CS Annuitant: If you are a Civil Service annuitant, use the Office of Personnel Management site and address annuity questions to OPM. Generally, OPM issues an interim annuity payment, estimated at 80 percent of the actual annuity, approximately six weeks after the effective retirement date.

Step 5: Post-retirement employment

A. EP+

Be sure to update your profile on EP+ for Retiring Employees through HR Online <http://hrweb.hr.state.gov/hronline>. You may also include work experience and skills gained outside your USG career. It is the gateway to working on a When Actually Employed (WAE) basis and possibly serving in the Standby Response Corps (SRC). You should also register your interest in employment with the relevant bureau WAE coordinators.

B. Limitations on post-retirement employment

FS Reemployment: When a Foreign Service annuitant is reemployed in Federal service on a part-time, temporary or intermittent basis (WAE), the annuity benefits may continue, subject to a cap on total compensation and a limit on the number of hours worked. If a Foreign Service annuitant is reemployed under a full-time Civil Service, Legislative, Judicial or Presidential appointment, payment of the employee’s annuity is suspended. At the conclusion of the appointment, payment of the annuity will resume, together with intervening cost of living adjustments (COLAs).

Personal Service Contract: Employment on a personal services contract or in the private sector does not trigger suspension of one’s annuity. However, payment of the supplement to FSPS annuitants may be terminated if the annuitant’s earned income exceeds a specified amount.

CS Reemployment: Civil Service retirees reemployed by the Federal government are also subject to limitations on the amount earned and on the number of hours worked. When a Civil Service retiree is reemployed on a WAE basis, the hourly rate of compensation is reduced by the hourly rate of the annuity. There is also a limitation of 1,040 hours per appointment year. If you are employed as a contractor or as a paid consultant, you are not subject to these limitations.

It is your responsibility to notify the Office of Retirement if you are re-employed. You should send a copy of the SF 50, Notification of Personnel Action, appointing you to a WAE position.

Final Step: Congratulations and Enjoy your Retirement!!